



The Medicare Prescription Drug, Improvement, and Modernization Act of 2003: *What Does It Mean for Tennessee?*

- All 873,247 Medicare beneficiaries in Tennessee will have access to a prescription drug benefit beginning January 2006. This marks the first time in the history of the Medicare program that seniors and individuals with disabilities will have prescription drug coverage under Medicare.
- While improving coverage for many Tennesseans, the law provides 273,873 Tennesseans with access to coverage they otherwise would not have.
- In June 2004, Tennessee beneficiaries will be eligible for Medicare-approved prescription drug discount cards, which are estimated to achieve savings of 10 to 25 percent off the retail price of most drugs.
- Low-income Tennesseans will receive a \$600 annual subsidy in extra assistance on their prescription drug discount cards to help them purchase their medications. This represents a total of \$261,136,095 in low-income assistance to the state of Tennessee alone.
- Beginning in 2006, the full drug benefit will be available to all Medicare beneficiaries. In exchange for a \$35 monthly premium, seniors who are now paying full retail price for their prescription drugs will see their drugs costs cut in half.
- 357,843 Tennesseans who have limited savings and low incomes will qualify for even more generous coverage, paying no premium and minimum co-payments.
- 72,673 additional low-income Tennesseans will qualify for reduced premiums, lower deductibles and coinsurance, and no gaps in coverage.
- 198,786 Tennesseans who are eligible for both Medicare and Medicaid will receive their prescription drug coverage under Medicare, saving the state of Tennessee \$690,000,000 over 8 years, according to estimates by the Bush Administration.